

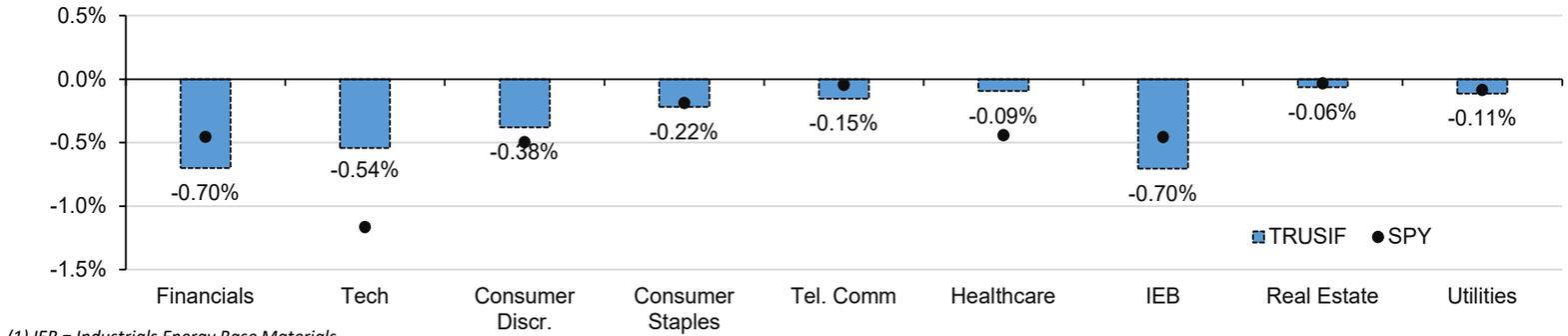


# TRUSIF FUND UPDATE: NOVEMBER 2021

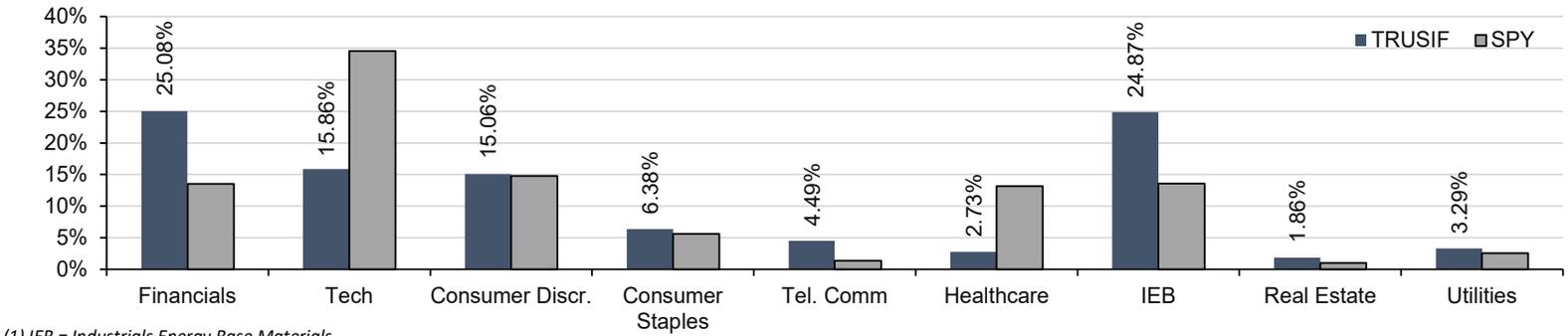
## HIGHLIGHTS / COMMENTARY

<a href="#">Article</a>	> COVID lockdowns are back in Vouge, markets are acting pessimistic about how the Omicron variant may impact recovery.
<a href="#">Article</a>	> Powell noted that the risk of persistently higher inflation has increased and is now talking about an earlier taper.
<a href="#">Article</a>	> Moderna CEO warns existing vaccines will be much less effective against Omicron variant
<a href="#">Article</a>	> Consumer confidence ticks down in November, but job market still seen as very healthy
Factset	> Growth outperformed value in November with the S&P 500 down (0.83%) and the Nasdaq up +0.25%
TRUSIF	> TRUSIF has added 3 new postions: Starbucks (NDAQ: SBUX), Visa (NYSE: V), and 3M (NYSE: MMM)

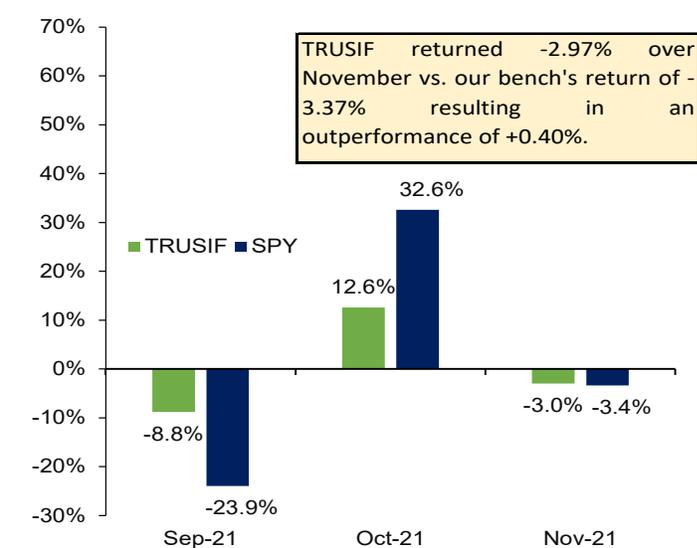
## NOVEMBER SECTOR RETURNS: TRUSIF vs. SPY



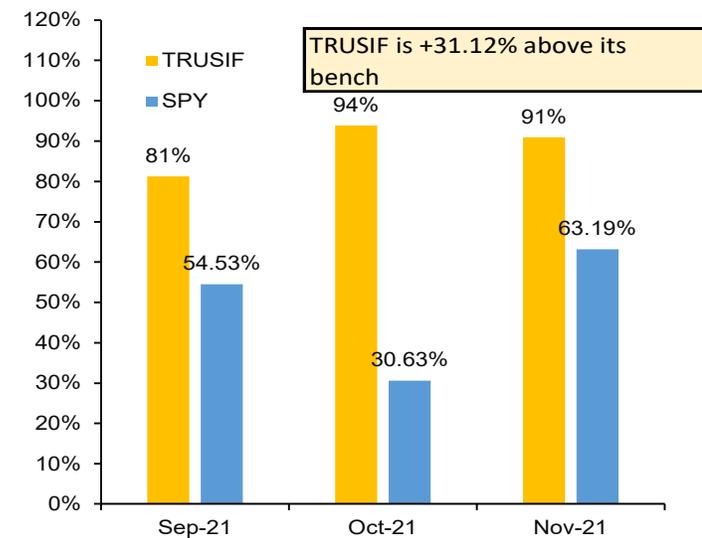
## SECTOR WEIGHTING: TRUSIF vs. SPY



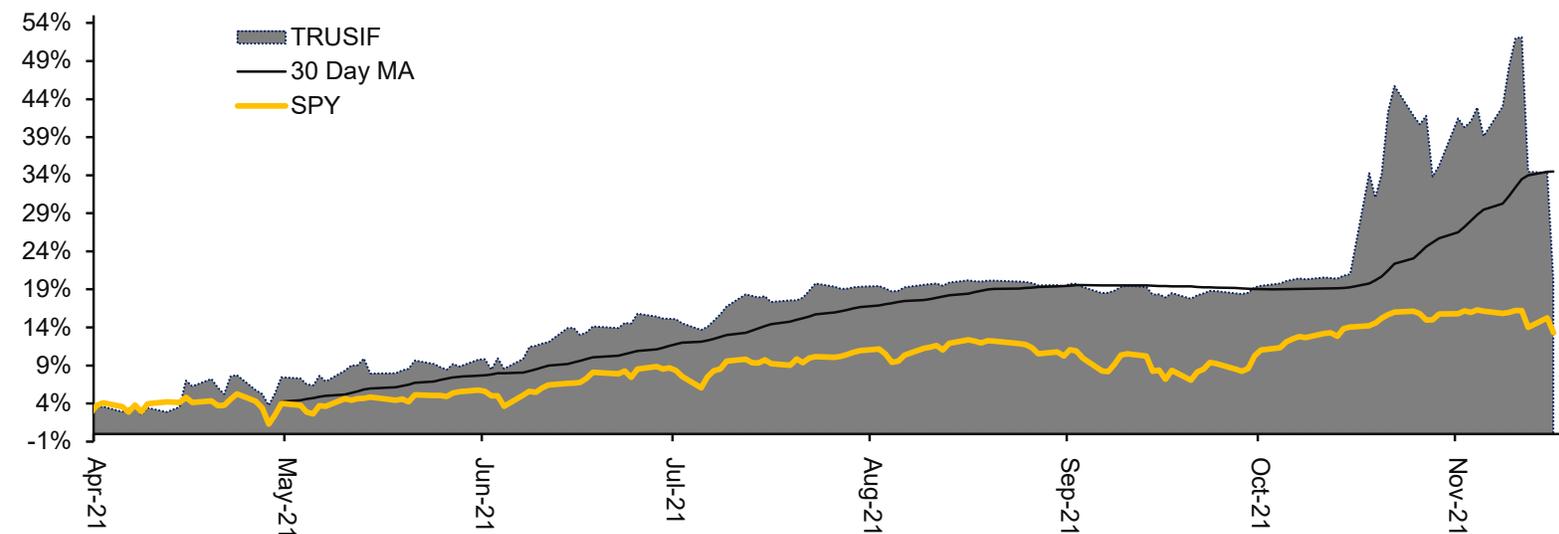
## MoM RETURNS: TRUSIF vs. BENCH



## TOTAL RETURNS: TRUSIF vs. BENCH

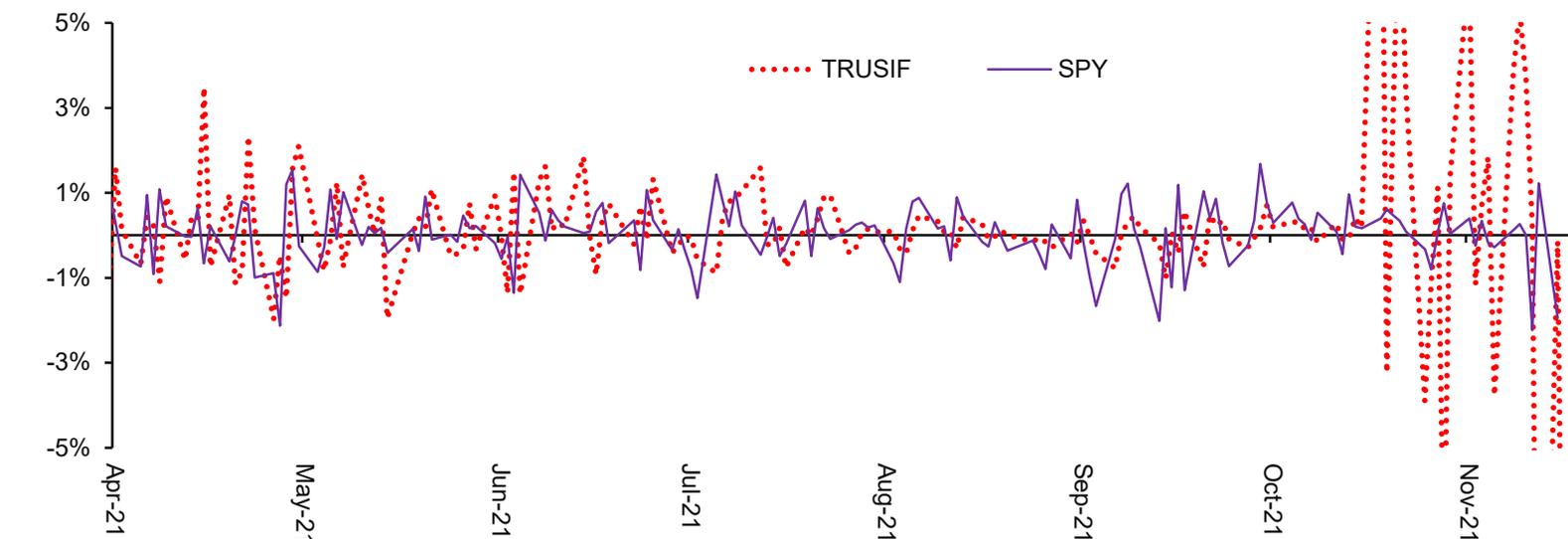


## CUMULATIVE RETURNS: TRUSIF vs. SPY



Source: TRUSIF Research, Facset, S&P Capital IQ

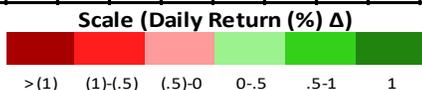
## DAILY RETURNS: TRUSIF vs. SPY



Source: TRUSIF Research, Facset, S&P Capital IQ

## TRUSIF PORTFOLIO RETURNS HEATMAP

															# (+) DAYS	# (-) DAYS			
Apr-21	Green	Green	Red	Red	Green	Green	Green	13	8										
May-21	Green	Red	Red	Green	Red	Red	Green	Green	Red	Green	Green	Green	Green	Green	Green	Green	Green	12	9
Jun-21	Red	Green	Green	Red	Red	Green	Green	Green	14	7									
Jul-21	Red	Green	Green	Green	13	8													
Aug-21	Red	Green	Green	Green	14	7													
Sep-21	Red	Green	Green	Green	Red	Red	Green	Green	Green	9	12								
Oct-21	Green	Red	Green	Green	Green	Red	Green	Green	Green	14	7								
Nov-21	Green	Green	Green	13	8														
Dec-21																			



Source: TRUSIF Research

## TRUSIF SECTOR COMMENTARY:

### CONSUMERS:

#### Sector Trends & Outlook

- > Companies are (so far) pushing inflated input costs onto consumers who don't seem bothered by higher prices
- > November performance: Discretionary (+11.3%) outperformed Staples (0.3%) by +11%
- > Autos continue to lag but supply chain management in apparel/footwear was better than expected.
- > Overall: Retailers +3.4%; Apparel/Access.+11.6%; Restaurants (1.9%); Food/Bev +2.4%; HPC +2.2%

#### Company Trends & Outlook

- > SBUX: Reported (record) 4Q21 SSS +17% y/y; tough comps in China -7% y/y on COVID restrictions
- > COST: Small miss in 4Q21 earnings with US comps +9.1% (vs. Street: 11.4%); TRUSIF target remains
- > MCD: Dividend to be released on Dec-15 (\$1.38/share, +7% y/y); \$1 coffee promotion back in action
- > Main concern: labour & raw material; offsetting concern: our holdings' well controlled supply chain.

Team: *Abhijay Manhas (Investment Analyst); Elham Kahlili (Research Analyst)*

### TECHNOLOGY & TELECOMMUNICATIONS

#### Sector Trends & Outlook

- > Yield uncertainty & re-imposed COVID restrictions have all weighed on tech prices over the month
- > IT hardware remains challenged due to the persisting semi-conductor shortages
- > Strong 3Q21 earnings score for S&P500 tech names with ~93% beating earnings expectations
- > S&P 500 IT index +4% m/m was led by semi's (+11% m/m) and slightly offset by services (-7% m/m)

#### Company Trends & Outlook

- > FB: Stock price took a big hit as Omicron made it's way through headlines spooking investors
- > MSFT: The company is about to join the \$3 tln club, with a current EV of \$2.43 tln
- > MSFT: Ending November, large insider trading activity was seen as CEO, Nadella, sold \$285 mln in stock.
- > Overall: We are continuing to monitor the effect of Omicron on our holdings, so far, our thesis' remain.

Team: *Adam Burke (Fund Manager); Yanchak Lam (Research Analyst)*

### INDUSTRIALS

#### Sector Trends & Outlook

- > Industrial Production and Capacity Utilization
- > US Housing starts October and Softwood Lumber Prices : November 2021
- > Semiconductor Chip Shortage could extend through 2022, impacting Auto and Other Sectors
- > Industrials and Other Sector Forward PE

#### Company Trends & Outlook

- > 3M and Blackford collaborate to augment AI efficiencies in radiology reporting
- > 3M and UN Climate Change to address climate chnages, drive collective solutions
- > TRUSIF opened a position in 3M (NYSE: MMM) due to its defensive nature in a this rising rate enviroment.

Team: *Daiman Mather (Investment Analyst); Manish Bohra (Research Analyst)*

### FINANCIALS

#### Sector Trends & Outlook

- > Bitcoin down (0.3%) to US\$57,380, S&P Financials Index up (0.3%) on news of Omicron
- > Banks +3.8%, leading the sector on higher interest rates; Biden keeps J. Powell as the FedChair
- > Cards/payments (1.9%) weighed down on higher rates: SQ (4.2%), FOUR (3.0%), PYPL(2.5%)
- > Regulators watching crypto and will provide guidance during 2022 on crypto activity from banks

#### Company Trends & Outlook

- > V: Amazon is considering switching co-branded credit card to MasterCard, leaving V behind
- > COVID-19 Exposure Score: Speciality Finance (15%); Visa (10%), Mastercard (6%), Amex (4%)
- > V: Has escalated to U.S. officials issues about Modi backing India's, RuPay, for nationalist reasons.
- > TRUSIF has entered a postion in Visa (NYSE: V) on the back of large dominance in online payment space.

Team: *Amir Ezati (Investment Analyst); Piyush Kumar Merwal (Research Analyst)*

### REAL ESTATE

#### Sector Trends & Outlook

- > R. Estate outperformed the broader market during November (0.72%) v. S&P 500 (0.83%)
- > Timber led, on continued housing demand, as housing starts backlogs showed continued growth.
- > On the M&A side, data centers were the top performer - TRUSIF will be looking to data center REITs
- > Hotel/Office/Healthcare lagged as Omicron headlines hit these groups hard at the end of November

#### Company Trends & Outlook

- > 3Q21 earnings score card was 28/28, with S&P 500 constituents reporting better-than-expected FFO
- > 23/24 companies reported 3Q21 postive earnings growth, with an average growth rate of +21% y/y
- > Equity REITs YTD gainers: Retail, Self-Storage & Appts up 61%, 55%, & 48% YTD respectively
- > Mortgage REITs YTD gainers: Multi-Type (+22%); Residential (+6%); Commerical (+8%)

Team: *Jacob Lawrence (Fund Manager); Sara Lawrence (Research Analyst)*

**TRUSIF Performance Details**

	1 month	3 month	6 month	YTD
<b>Annualized Return</b>				
TRUSIF	30%	61%	81%	91%
Benchmark	20%	32%	31%	60%
<b>Annualized Volatility</b>				
TRUSIF	37%	87%	106%	427%
Benchmark	25%	61%	88%	120%
<b>Sharpe</b>				
TRUSIF <sup>(1) (2)</sup>	2.00	2.58	2.95	0.98
Benchmark	6.62	8.10	7.84	7.70

(1)  $R_p = 4\%$

(2)  $R_f = 1.5\%$

Source: TRUSIF Research

**TRUSIF HOLDINGS TABLE**

Financials	Market Value (CAD)	Portfolio Weighting (%)	Target Price		Avg. Price	Latest Close	Total Return	
			Prior	Current				
Visa	\$5,264	4%	\$275	▬	\$275	\$195	\$208	7%
<b>Tech &amp; Tel. Comm</b>								
Facebook	2,101	1%	430	▾	415	302	332	10%
Microsoft	4,208	3%	350	▴	370	281	333	18%
<b>Consumer Discretion</b>								
Starbucks	4,402	3%	125	▬	125	111	116	4%
McDonald's	6,628	5%	275	▬	275	245	262	7%
<b>Consumer Staples</b>								
Costco	4,764	3%	545	▬	545	374	538	44%
<b>Healthcare</b>								
<b>IEB<sup>(1)</sup></b>								
3M	4,880	3%	195	▬	195	173	175	1%
<b>Real Estate</b>								
<b>Utilities</b>								
<b>ETFs</b>								
Vanguard Total Mkt	19,069	13%				229	239	5%
Vanguard Canada All Cap	62,044	43%				41	43	3%

(1) IEB = Industrials Energy Basic Materials

**TRUSIF ACCOUNT ACTIVITY**

Ticker	Date	Action	Shares	Cost	Sale Price	FX	Total Cost (CAD)	Capital Gain (CAD)	Return (%)
<b>FQ1 2021</b>									
<b>FQ2 2021</b>									
FB	Apr-21	Buy	5	\$301.94					
COST	Apr-21	Buy	7	\$374.00					
<b>FQ3 2021</b>									
MSFT	Jul-21	Buy	10	\$281.07					
VCN	Aug-21	Buy	1,150	\$41.49					
VTI	Aug-21	Buy	111	\$228.95					
<b>FQ4 2021</b>									
MCD	Oct-21	Buy	20	\$244.58					
VTI	Dec-21	Sell	48	\$228.95	\$231.00	USD	\$14,067	\$125.95	▴ 0.9%
SBUX	Dec-21	Buy	30	\$111.48					
V	Dec-21	Buy	20	\$195.00					
MMM	Dec-21	Buy	22	\$172.76					